

*Nothing is politically right
that is morally wrong.*



*Free and fair discussion
is the firmest friend of truth.*

MISSOURI SENATE
JEFFERSON CITY

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**General Assembly Advances Legislation
Balancing Job Incentives with Protecting Taxpayers
*State Employee Pension Reforms and Manufacturing Jobs Act Sent to Gov's Desk***

JEFFERSON CITY – The Missouri Senate today advanced two measures, sending both to the governor's desk after outlasting a filibuster attempt to kill one of the bills. The actions bring a Special Session to a close that was called June 24 by Gov. Jay Nixon. Senate Leader Charlie Shields, R-St. Joseph, said the two measures balance job incentives with protecting Missouri taxpayers.

"We support keeping and bringing new, good-paying jobs with benefits to Missourians," Shields said. "But here in Missouri, we pay as you go. That means in order for us to offer \$15 million a year in new auto manufacturing and supplier employer incentives, we must first find savings elsewhere in our spending to balance the bottom line. That is why we also supported reforming the pension system for new state employees – changes that could save taxpayers \$660 million over the next 10 years."

House Bill 1, handled in the Senate by Sen. Jason Crowell, R-Cape Girardeau, creates a different retirement plan for any person who becomes a state employee on or after January 1, 2011. To retire, new employees would be required to reach age 67, have at least 10 years of service or reach age 55 with the sum of the member's age and service equaling at least 90. It would also require new state employees to make member contributions of 4 percent of their pay into their defined retirement benefit.

Majority Floor Leader Sen. Kevin Engler, R-Farmington, said the state spent \$163 million this year from General Revenue to assist in funding state employee pensions. "By making the pension system for new employees more cost effective, we reduce the burden on our General Revenue, ultimately allowing us to invest those dollars in education or other top priorities," Engler said.

Pension reform efforts are sweeping the nation, with 18 states making changes to their pension systems. Senators noted this bill that passed does not impact public teacher retirement systems in any way.

After more than 21 straight hours of debate, the Senate also advanced House Bill 2, known as the Manufacturing Jobs Act. Senator LuAnn Ridgeway, R-Smithville, handled the bill in the Senate and said the program is anticipated to help save 3,700 jobs at the Ford Claycomo Plant that currently produces pickup trucks and sport utility vehicles.

"We are doing what we can to help protect thousands of Missourians' jobs – not just at Ford, but for small businesses across the state that rely on Ford to purchase their products," Ridgeway said.

The act allows qualified auto manufacturing companies and their suppliers that create or retain Missouri jobs to keep all or a portion of their employee withholdings taxes. Auto manufacturing companies must also make an investment in a new or expanded product to qualify for the program. Companies that qualify are prohibited from simultaneously receiving benefits from multiple tax incentive programs.

The Senate is scheduled to next convene for the annual veto session in September.

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